

# Gift Acceptance Policy

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## Overview

This policy provides the information on Gilda’s Club Greater Toronto gift acceptance procedures in accordance with the organization’s mission, vision and core values.

## Purpose

Gilda’s Club Greater Toronto (Gilda’s Toronto), a registered charitable organization, seeks to offer gift opportunities to develop a broad base of support. The primary purpose of this policy is to encourage and assist donors in making gifts to Gilda’s Toronto, by informing them about program needs, gift opportunities and techniques of giving. It is the intention of the organization to accept gifts that are in keeping with Gilda’s Toronto’s mission, vision and strategic goals and in compliance with Canada Revenue Agency (CRA) policies related to charitable giving.

The policy is established to:

- Ensure informed decisions for acceptance for all charitable gifts to Gilda’s Toronto
- Ensure that appropriate administrative, legal and accounting practices are followed in receipting, reporting and acknowledging such gifts
- Maintain Gilda’s Toronto’s high commitment to donor stewardship

## **Definitions of Different Types of Gifts**

### **Gift**

A voluntary transfer of cash and kind, from individuals, corporations, foundations and other sources to Gilda's Toronto for either unrestricted or restricted utilization in the operation of the organization for its charitable purposes. Gifts are made without expectation of return; no consideration - no benefit of any kind - to the donor or to anyone designated by the donor, may result from the payment.

Gifts may be monetary (e.g., cash, cheques) or non-monetary (e.g., securities, real property, or personal property).

### **Gift Pledge**

Gift contributions to Gilda's Toronto, which are "pledged" over a period of time (normally to a maximum of five years, depending on the size of the gift and the nature of the appeal).

### **Grants**

Grants are revenues received by Gilda's Toronto from an individual, corporation, foundation, government body or other sources, for the support of eligible Gilda's Toronto programs/projects.

### **Gift-in-Kind**

Donated tangible and intangible assets and property such as real estate, royalties, equipment, inventory, personal property, securities and other physical assets or materials, which represent value to Gilda's Toronto, and for which an arm's length party is assigned to establish a cash equivalent, provided in writing, where gift values are suggested as greater than \$1,000. The cost of this third-party appraiser/expert will be shared between the donor and Gilda's Toronto.

### **Bequest**

Gifts that represent the act of giving or leaving something by will; the act of bequeathing will or trusts which are in support of the mission of Gilda's Toronto.

### **Endowed Gift**

Endowed gifts are donations made to the organization with the understanding that the principal amount of the donation will be invested for a period of time agreed upon by both parties, with the interest earnings to be used to advance the mission of Gilda's Toronto.

### **Designated Gift**

A designated gift is a gift or bequest where the donor has specified where in Gilda's Toronto the support is to be directed. A gift may be "designated", for instance, to a particular program or service.

## **Restricted gift**

A restricted gift is a gift or grant where the donor, grantor or contracting company has specified that the gift, grant or contract is to be used to support specific purpose, program or project.

## **Undesignated Gift**

An undesignated gift is a gift or bequest where the donor has not specified where the support is to be directed.

## **Unrestricted Gift**

An unrestricted gift is a gift or bequest, where the donor has not specified how the gift or bequest is to be used.

## **Fair Market Value**

The highest dollar value, expressed in terms of money, that the property would bring in an open and unrestricted market between a willing buyer and a willing seller who are both knowledgeable, informed and prudent, and who are acting independently of each other.

## **General Policies in Accepting Gifts**

The Executive Director reserves the right to approve all gifts. Restricted gift must be approved by the Executive Director considering the following factors:

1. Applicable Federal and Provincial laws and regulations;
2. Economic consequences to Gilda's Toronto of a gift;
3. The donor's charitable intent and its alignment with the strategic direction of Gilda's Toronto and the ultimate benefit to the community made possible by the gift;
4. The nature of any restrictions or conditions on the gift and the implications thereof on the fulfillment of the organization's needs;
5. Projected costs to the organization associated with accepting, administering and eventually disposing of a gift so it can be used by the organization.

In case the Executive Director recognizes a potential significant consequence of a gift to the organization, the Board of Directors should be involved in approving or declining that gift.

GILDA'S TORONTO may accept the following types of gifts:

1. Cash or Cash equivalents;
2. Marketable securities – stock, stock options, bonds and other securities that have already been liquidated by the donor(s);
3. Bequest or charitable gift annuities, if such distributions are in the form of cash or cash equivalents.

## **Policies in Declining Gifts**

From time to time, Gilda's Toronto may choose to decline a gift. The following conditions justify such that action, although other situations may also occur:

1. If the gift in any way limits or compromises the values, integrity or mission of the Cancer Support Community (CSC) and Gilda's Toronto;
2. The gift could jeopardize Gilda's Toronto's charitable status or relationship with the donor community;
3. The gift would expose Gilda's Toronto to an uncertain or potentially significant liability;
4. The gift could financially or morally jeopardize the donor and/or Gilda's Toronto;
5. Gifts where Gilda's Toronto is unable to honour the donor's terms, or where the organization is unable to make use of the gift;
6. Gifts where the donor requires that the gift be tied to an exclusive supplier agreement;
7. Gifts that will confer an unwarranted or unmanageable expense upon Gilda's Toronto;
8. The gift involves false promises on the part of either party;
9. The gift could improperly benefit any individual or entity;
10. The gift (other than cash or cash equivalents) originates from a non-Canadian resident person or corporation as defined by the Canadian Income Tax Act (ITA).

## **Policies Pertaining to Specific Gift Form**

### **Cash and Cash Equivalents**

Cash gifts are acceptable in any form, including gifts of cash, cheques, money orders, wire transfers, credit card or debit card transactions, electronic fund transfers, payroll deductions or other cash transfer mediums accepted at Gilda's Toronto.

#### Guidelines:

- Gifts in the form of a cheque should be made payable to Gilda's Club Greater Toronto
- Donors wishing to make a gift by credit card must provide the card type, card number, expiration date and name of card holder as it appears on the credit card
- Tax receipts are issued for all donations over the amount of \$20, unless requested.

### **Marketable securities**

Marketable securities may be transferred electronically to Gilda's Toronto's account or delivered physically with the transferor's endorsement or signed stock power (with appropriate signature guarantees) and appropriate form attached. All marketable securities will be sold promptly upon receipt unless otherwise directed by the Executive Director. In some cases, marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift; in such instances the decision whether to accept the restricted securities shall be made by the Executive Director, in accordance with

the Gift Acceptance Policy and in consultation where necessary with the Board of Directors. The value of the donation will be receipted based on the proceeds derived from the sale on the open market before disposal of costs.

## **Bonds**

The gift value of publicly traded bonds will be the value of the bond on the date the donor relinquishes control of the bond(s) to Gilda's Toronto through delivery to an approved securities dealer. The gift value will be calculated prior to brokers' fees or expenses. This is the gift value the donor will receive for purposes of gift crediting or recognition. The bond will be sold promptly similar to the policy for marketable securities.

## **Guidelines:**

Publicly traded stocks, bonds and other marketable securities may be electronically transferred, registered in the name of Gilda's Club Greater Toronto, or conveyed through the use of a stock power form to Gilda's Club Greater Toronto Gifts in kind.

Gifts-in-kind are non-cash gifts (\$100 or more) of tangible or intangible property. Tangible property can fall into two distinct categories, and its value is derived from its physical existence: (a) Objects, such as equipment, software automobiles etc. or (b) Services, such as providing photography services. Intangible personal property is property that generally cannot be touched and whose value stems from non-physical elements, e.g., patents and copyrights. The acceptance of gifts-in-kind must adhere to guidelines set by the CRA.

## **Common Types of Gifts in Kind**

### **Real estate**

Gifts of real estate will likely be declined because of unmanageable expense upon Gilda's Toronto. However, when the real estate has been liquidated into cash equivalent, it will be accepted by Gilda's Toronto.

### **Art and other cultural property**

Generally, gifts in the form of art and other cultural property **will not be accepted** unless approved by the Executive Director. The accepted gifts will be processed according to the guidelines outlined by the Canadian Revenue Agency's Charitable Giving regulations. They must similarly undergo a due diligence review and certain conditions may be attached to the acceptance of such gifts, such as, but not limited to the following:

- The Art needs to reflect the mission, vision of Gilda's Toronto;
- Gilda's Toronto is capable of maintaining proper maintenance for the Artwork;
- The Art can be resold so that the proceeds can go to support the mission of Gilda's Toronto.

- **Service**

Gifts of services are not tax receiptable under the Income Tax Act because no property is transferred. If a donor wishes to offer a gift of service by charging Gilda's Toronto and donating the proceeds back to the organization, a receipt for the outright gift will be issued, but only if payment of the service invoice is not contractually linked to the subsequent outright gift.

### **Special Event Revenue**

A donor's participation in a special event hosted by Gilda's Toronto itself, or events hosted by third parties, in support of Gilda's Toronto's program, is subject to special tax considerations and treatment.

Third party events are events that are organized by supporters of Gilda's Toronto without staff involvement, where the net revenue of these events flow directly to Gilda's Toronto. However, approval is required by Gilda's Toronto staff where the Gilda's Toronto brand is used. A tax receipt to the issuer of the third-party donation is not issued. Exceptions can be made if the event organizer can provide a detailed breakdown of event revenue by participant, along with event costs. Tax receipts may be issued for third party auctions if the guidelines for gifts in kind are followed. Gilda's Toronto is responsible for authorizing and providing guidance for all third-party fundraising events, in accordance with the Gift Acceptance Policy.

### **Planned or Deferred Gifts**

A Deferred Gift is a gift commitment or arrangement today for delivery to Gilda's Toronto at a future date. Deferred giving is arranging for donations to be made that will benefit both the interests of Gilda's Toronto and the donor, financial and tax situation of the donor, and the donor's family sometime in the future. The type of deferred gifts to be encouraged includes, but is not limited to:

### **Bequest**

There are several types of bequests that may be accepted by Gilda's Toronto:

- A specific bequest provides the organization with a specific sum of money
- A residual bequest leaves all or a portion of an estate after providing for other beneficiaries
- A contingency bequest ensures that the organization receives all or a share of the estate in the event of the prior death of certain other beneficiaries

### **Residual Interest**

A gift of a residual interest refers to an arrangement (ordinarily in the form of a trust) where property is irrevocably committed to Gilda's Toronto, but the donor retains use of the property for life or a set term. For example, the donor might give a residual interest in a residence and continue to live in it or give a painting and retain possession of it.

## **Gift Annuity**

A charitable gift annuity is an arrangement that allows donors to give an immediate gift and receive tax advantage income for lifetime for either themselves or a designated beneficiary. The value of the gift receipt is determined by the full amount of the annuity agreement less the cost of servicing the lifetime income through a commercial annuity contract.

## **Life Insurance**

Gilda's Toronto will consider accepting gift of life insurance on an individual basis where ownership and beneficial status are conferred by the gift. If accepted, the receipt value is determined based on the fair market value appraised by an independent and qualified actuary. Ongoing premium payments made by the donor to the insurance company are receiptable annually upon the confirmation of payment by the insurance company to Gilda's Toronto.

The donor may irrevocably assign the ownership of a paid-up life insurance policy to Gilda's Toronto whereby Gilda's Toronto becomes the legal owner and beneficiary of the life insurance policy. The donor is entitled to an official receipt for income tax purposes for the cash surrender value confirmed by the insurance company.

## **Endowments**

Every Endowment fund must be based on a written Gift Agreement, which includes:

- Fund name
- Purpose provision [may be restricted (e.g., to fund a specific program or service) or unrestricted (e.g., to support the organization's development)]
- Payment/Pledge schedule (if applicable).

An endowment fund requires a minimum balance in order for it to generate sufficient annual income for the support of programs and services. This level will be determined periodically by the Executive Director or her designate.

## **Responsibility to Donor**

No agreement shall be made between Gilda's Toronto and any agency, person, company or organization on any matter, whether investment or otherwise, which would knowingly jeopardize the donor's interest. The task of all fundraising personnel shall be to inform, serve, guide or otherwise assist the donor in fulfilling his/her/their philanthropic wishes. No employee or volunteer shall pressure or unduly persuade a donor to make a gift.

No personnel employed by Gilda's Toronto shall receive commissions which could give such personnel a direct beneficial interest in any agreement.

All information concerning donors or prospective donors shall be kept strictly confidential by Gilda's Toronto (except information required by law) and authorized personnel unless permission is obtained from the donors to release such information.